

MONTANA STATE PARKS AND RECREATION BOARD AGENDA ITEM COVER SHEET

Meeting Date: June 18, 2014

Agenda Item: Purchase Permanent Easements in Thompson Falls and Lewis & Clark Caverns State Parks.

Division: Parks

Action Needed: Final Approval

Time Needed on Agenda for this Presentation: 15 minutes.

Background Thompson Falls State Park: This state park is situated in west-central Montana on the Clark Fork River, approximately 2 miles northwest of the town of Thompson Falls. The 2014 annual lease rate on this 29-acre parcel is \$12,663.77. Lewis & Clark Caverns State Park: This state park is located in southwest Montana in Jefferson County. Lewis & Clark Caverns was designated Montana's first state park in 1941. The 2014 annual lease rate on this 640-acre parcel is \$4,773.60

This proposal is for the purchase of permanent easements on state trust lands within these two parks, thus eliminating annual lease payments. Montana State Parks would pay full market value of the properties and hold easement over all surface rights. DNRC would retain mineral rights. The current appraised value of the DNRC lands at Thompson Falls State Park is \$275,000 and \$640,000 for trust lands in Lewis & Clark Caverns State Park. One half of the Thompson Falls State Park easement would be funded by Avista Utilities (\$137,500).

Public Involvement Process & Results A draft environmental assessment (EA) was released for public review and comment from April 7, 2014, through May 7, 2014. The document was posted on the Montana State Parks website, through a statewide press release and with legal notices area newspapers. No public comments were received.

Alternatives and Analysis A. Preferred Alternative: Purchase of permanent easement on state trust lands within Thompson Falls and Lewis & Clark Caverns State Parks. The cost for the Thompson Falls State Park permanent easement would be \$275,000. The cost for the Lewis & Clark Caverns State Park permanent easement would be \$640,000.

<u>B. No-action Alternative:</u> The no-action alternative would result in the continuation of FWP paying annual leases for state trust lands within Thompson Falls and Lewis & Clark State Parks.

<u>C. Additional Alternatives:</u> FWP purchases a perpetual easement for either Thompson Falls or Lewis & Clark Caverns State Park, but not both.

Agency Recommendation and Rationale Montana State Parks recommends that the Board approve the purchase of permanent easements for both of these state parks units for the following reasons:

- Both of these state park units are important units to the Montana State Park system.
- Permanent easements will create long term management stability, and will make capital investments more sound.
- The cost of these easements is based on the full market value of these parcels. With the current resurgence of land prices, these may be the best prices we see for a very long time.
- We have an opportunity to defer the overall cost to the department through the financial contribution of Avista Utilities.

Proposed Motion I move to direct Montana State Parks to seek final approval from State Land Board for the purchase of permanent easements on state trust lands within Thompson Falls and Lewis & Clark Caverns State Parks.